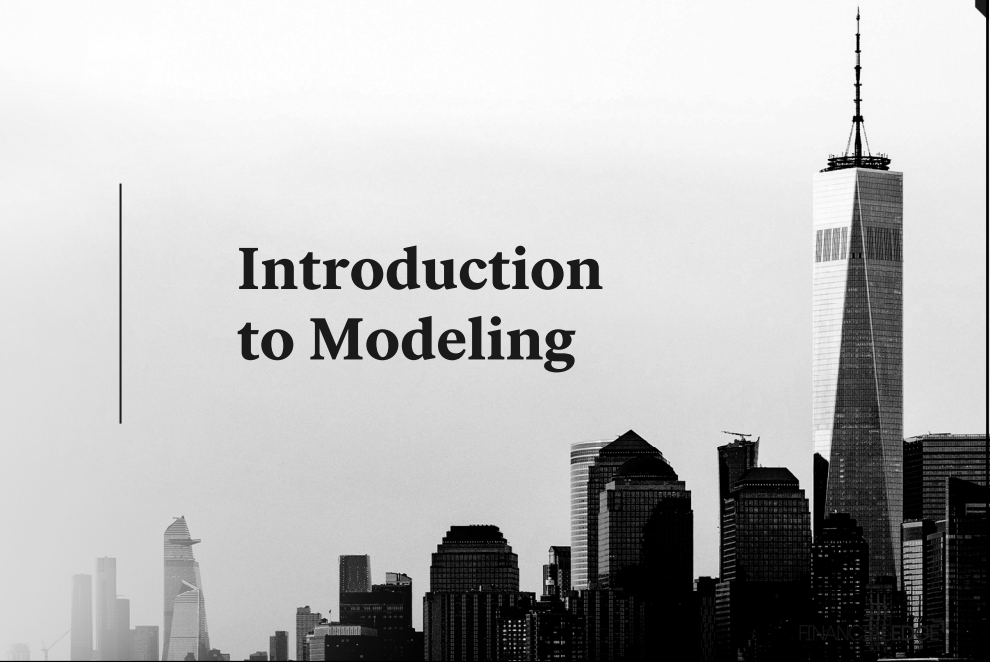
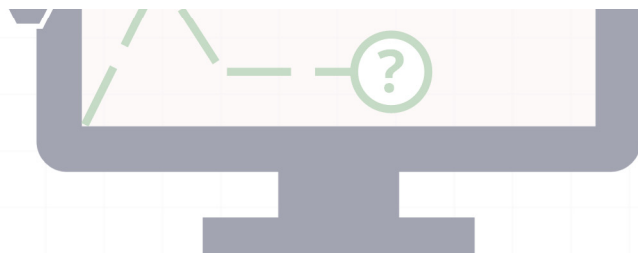




Introduction to Modeling



Excel Step Up



alt **F** **T**

File **Options**

Formulas

Advanced

Editing options

1 Recommended for **larger models**

2 Turn this **OFF**

3 Looks for **inconsistent formulas**

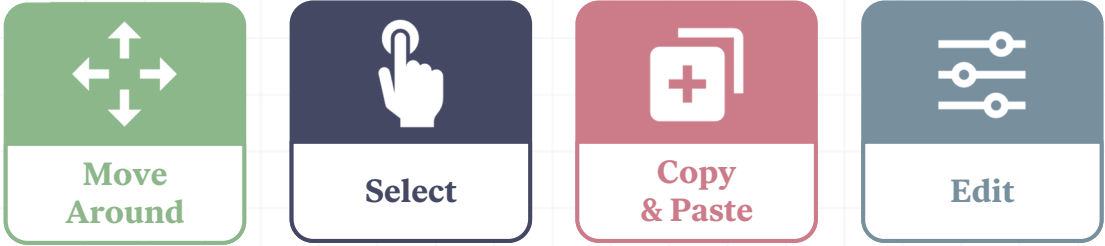
4 Best to be in **control**

5 Editing will happen in the **formula bar**

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Productivity Tools

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Move Around

Move cell by cell



Speed move

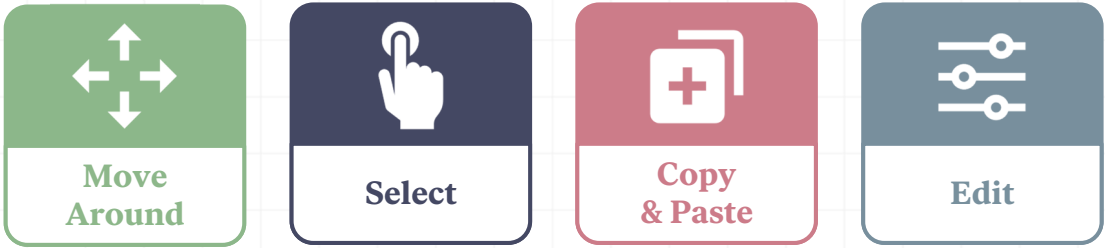


Move from sheet to sheet



Access menu bars





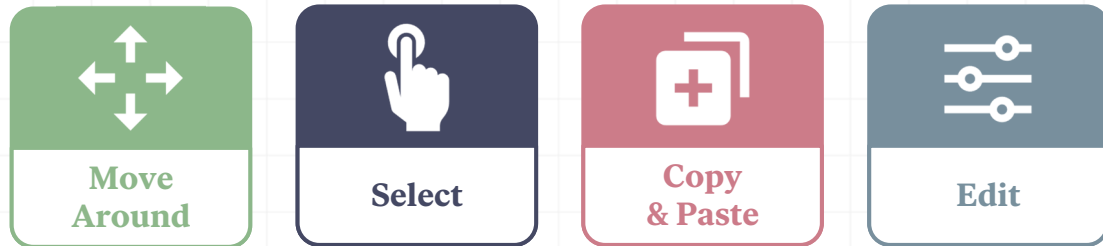
Select

Speed
move



Move from
sheet to sheet



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Copy & Paste

Copy

ctrl + C

Paste

ENTER

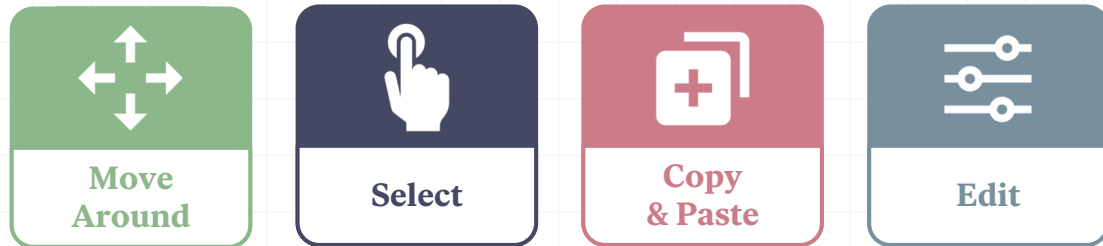
Multiple
paste

ctrl + V

Fill right
or down

ctrl + R or D

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Edit

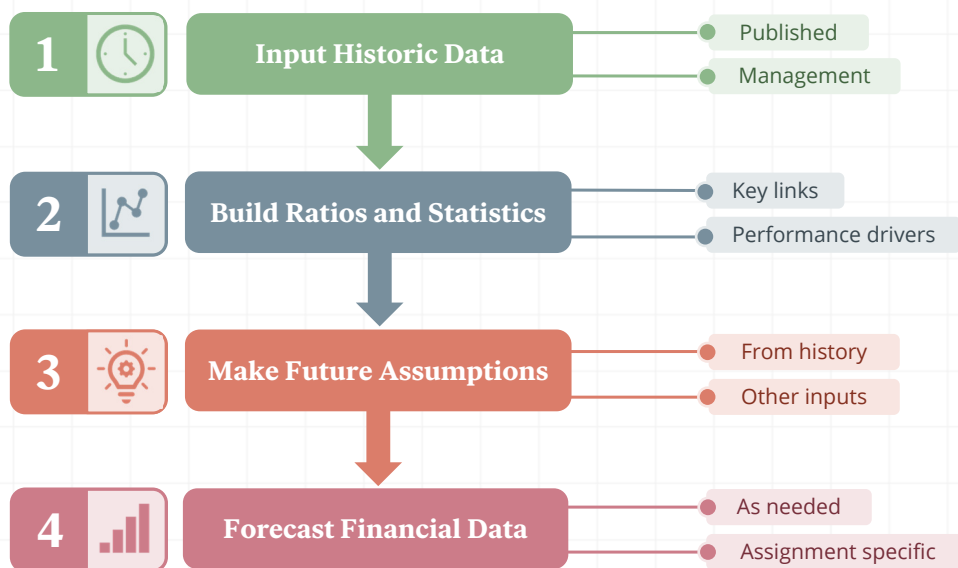
Formula bar /
worksheet toggle

F2

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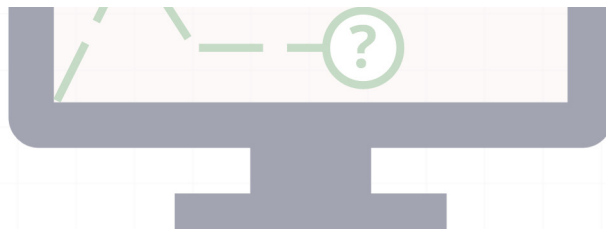


Modeling and Forecasting Overview

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Model Structure and Design Choices

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Forward Assumptions: Blocked

Revenue growth	3.0%	3.0%
Operating costs % revenues	95.0%	95.0%
Taxes % of profit before tax	10.0%	10.0%

Forward Assumptions: Throughout

Revenue growth	3.0%	3.0%
Revenues	404.1	416.2
Operating costs % revenues	95.0%	95.0%
Operating costs	383.9	395.4
Operating profits	20.2	20.8
Taxes % of profit before tax	10.0%	10.0%
Tax expense	2.0	2.1
Net income	18.2	18.7



Blocked assumptions
more user friendly



Blocked assumptions
important in big models



Assumptions throughout means
output and driver visible together

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Positive or negative presentation?		
Revenues	404.1	416.2
Operating costs	383.9	395.4
Operating profits	20.2	20.8
Tax expense	2.0	2.1
Net income	18.2	18.7
Net income	18.2	18.7
Change in operating assets	(0.4)	(2.4)
Change in operating liabilities	2.8	3.5
Operating cash flow	20.5	19.8

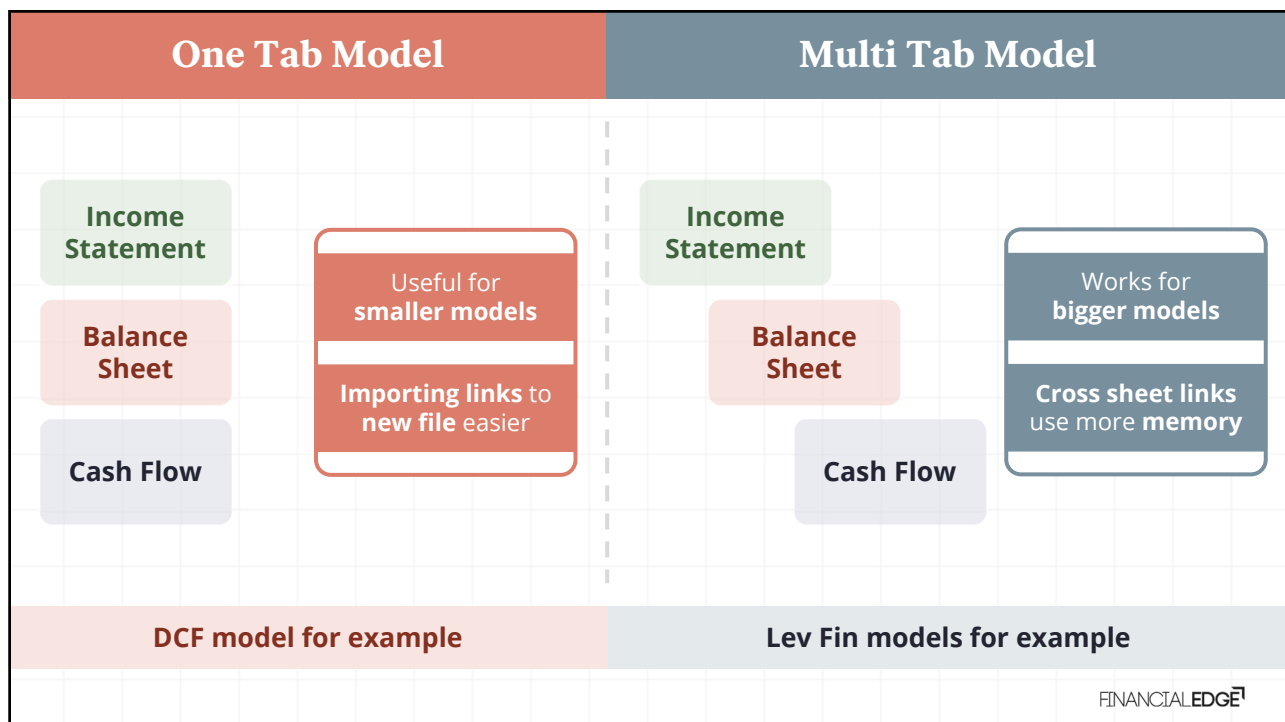
— Negative presentation easier to sense check especially when printed



Σ Sum function works here

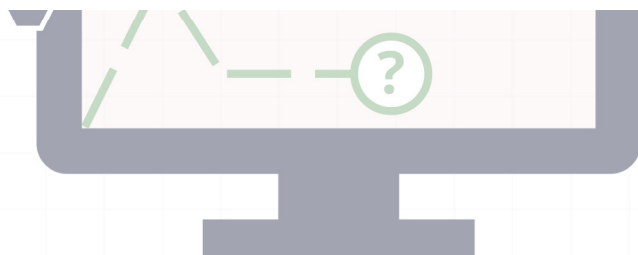


↺ Sign must be “flipped” on many formulas





IS and BS Construction



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Assumptions						
Revenue growth		5.0%	5.0%	5.0%	5.0%	
Costs % revenues	(90.0%)	(85.7%)	(85.0%)	(85.0%)	(85.0%)	
Inventories % costs	(11.1%)	(13.3%)	(13.0%)	(13.0%)	(13.0%)	
Long term debt change		0.0	0.0	(5.0)	10.0	
Cash balance			28.4	40.1	67.7	
Forecast Income Statement						
Revenues	100.0	105.0	110.3	115.8	121.6	=F12*(1+G5)
Costs	(90.0)	(90.0)	(93.7)	(98.4)	(103.3)	=G6*G12
Net income	10.0	15.0	16.5	17.4	18.2	=SUM(G12:G13)
Forecast Balance Sheet						
Cash	10.0	12.0	28.4	40.1	67.7	
Inventories	10.0	12.0	12.2	12.8	13.4	
Total assets	20.0	24.0	40.5	52.9	81.1	
Long term debt	10.0	10.0	10.0	5.0	15.0	
Equity	10.0	14.0	30.5	47.9	66.1	
Total liabilities and equity	20.0	24.0	40.5	52.9	81.1	
Check	0.0	0.0	0.0	0.0	0.0	=G25-G19

Moving around
efficiently is essential
when model building

Growth formula

% of formula

Sum function

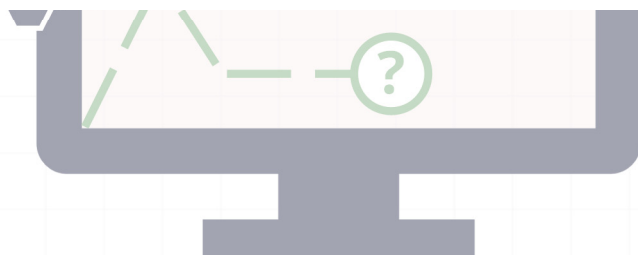
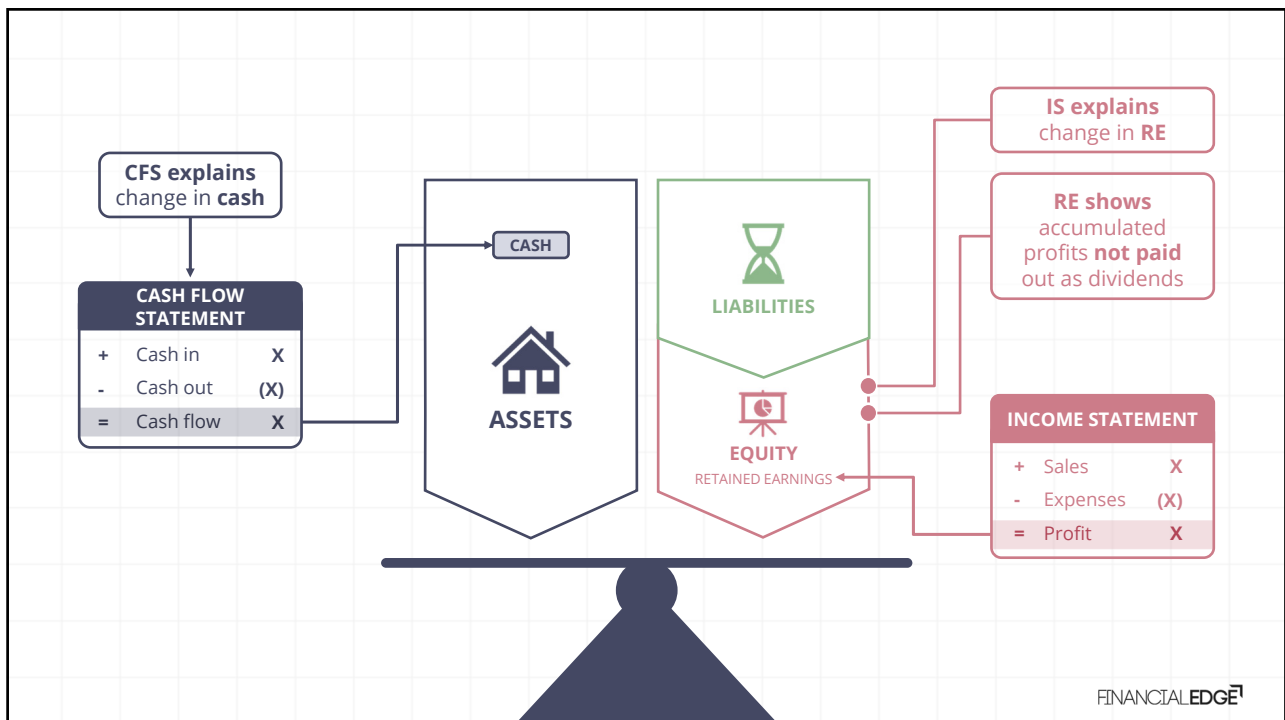
Copying right is
done repeatedly, **period
1 is built** and copied to
later periods

BS check

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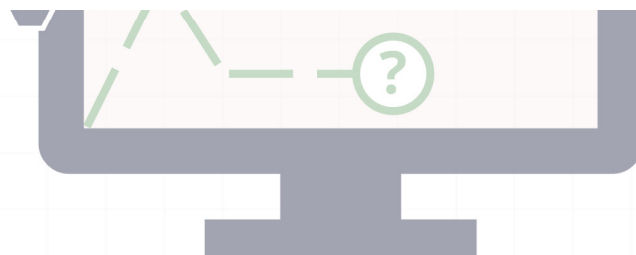


IS, BS and CFS Integration

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Back Up Calculations

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